
OLR Bill Analysis

HB 5614

AN ACT CONCERNING "E-BOOKS" AND LIBRARIES.

SUMMARY:

This bill requires any person who offers to license electronic books (e-books) to the public to also offer a license to libraries in the state that allows the library's users to access those e-books.

The bill requires the libraries' license to be on reasonable terms, which may include (1) a limit on the number of users who can access the e-book simultaneously, (2) a limit on the e-book's lending period, and (3) terms providing for the use of technology that blocks users from (a) accessing the e-book beyond the lending period and (b) sharing the e-book with others.

The bill makes a violation of these provisions an unfair or deceptive trade practice under the Connecticut Unfair Trade Practices Act (CUTPA).

EFFECTIVE DATE: July 1, 2013

BACKGROUND

Electronic Book Licenses to the Public and to Libraries

Generally, the public licenses access to e-books from a distributor who licenses books from publishers; provides and supports the technology that makes a book into an e-book (an electronic document formatted for reading on various electronic devices); aggregates a wide offering of e-books; and provides the public with an electronic marketplace in which to find, select, and procure access to e-books.

The majority of libraries that lend e-books license the majority of those e-books from distributors that serve libraries. These distributors license books from publishers; provide technology that supports e-books; aggregate e-book offerings from various publishers; and

provide an online platform in which library users can find, select, and borrow e-books. Libraries contract with these distributors to provide their users with access to some or all of the e-books the distributor supports, along a variety of distribution models.

Connecticut Unfair Trade Practices Act (CUTPA)

The law prohibits businesses from engaging in unfair and deceptive acts or practices. CUTPA allows the Department of Consumer Protection commissioner to issue regulations defining what constitutes an unfair trade practice, investigate complaints, issue cease and desist orders, order restitution in cases involving less than \$5,000, enter into consent agreements, ask the attorney general to seek injunctive relief, and accept voluntary statements of compliance. It also allows individuals to sue. Courts may issue restraining orders; award actual and punitive damages, costs, and reasonable attorney's fees; and impose civil penalties of up to \$5,000 for willful violations and \$25,000 for violation of a restraining order.

COMMITTEE ACTION

General Law Committee

Joint Favorable

Yea 18 Nay 0 (03/12/2013)